

Oral Questions

repeatedly. The president of a trust company, for instance, appeared before the parliamentary committee on Finance two weeks ago, saying that in a single day he had received 36 letters from me addressing the issue on behalf of a number of Canadians who were facing difficulties, and steps have been taken following those representations, in a very large number of cases.

Finally, as far as the question raised by the Hon. Member is concerned, I have indicated to him, as the Minister of Consumer and Corporate Affairs indicated to him yesterday, that in a number of instances those trust companies are under provincial authority. As well, Canadian consumers, when they enter into contracts, must look at those contracts carefully and also shop around to find out whether they can get a better deal elsewhere.

An Hon. Member: Statements by Ministers.

Mr. Lalonde: As far as the specific point is concerned, these are the steps that we have already taken.

REQUEST FOR LEGISLATION TO ASSIST HOME OWNERS

Mr. Bill Kempling (Burlington): Surely the Minister knows that, under Section 91(19) of the Constitution Act, interest is the jurisdiction of the federal Government, and it does have jurisdiction.

Some Hon. Members: Hear, hear!

Mr. Kempling: In the United States, under the Federal Housing Act it is illegal to charge a fee or penalty for a prepayment of a mortgage.

In 1976 the Government introduced Bill C-16, the Borrowers and Depositors Protection Act, that included a clause in Section 15 which dealt with this very matter. Is the Government prepared to introduce such legislation again, and will it attempt to deal with the 750,000 Canadians who are trapped in this mess?

● (1120)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member mentions the figure of 750,000 citizens. I would urge him to be careful in terms of the numbers he is using. He may find himself very much off base in that regard.

The Hon. Minister of Consumer and Corporate Affairs and I have indicated that we are examining the situation, reviewing it, and will continue to do so. When we have reached a decision we will make it known promptly.

It is important that we avoid any steps that will mean that Canadian citizens in general will end up paying more than they are presently paying for mortgages as a result of Government intervention, or which may lead to a situation where certain types of mortgages that are available now would disappear from the market. The Hon. Member knows that interest rates fluctuate and that we cannot have a situation where one can benefit from interest rates going down and be

fully protected when they go up. No country in the world has been able to arrange that.

Mr. Kempling: The 750,000 figure is established by Canada Mortgage and Housing Corporation which advises that 715,000 people are trapped with mortgages above 17 per cent. I am sure there are another 35,000 people out there somewhere. That is the basis for the figure.

GOVERNMENT POSITION

Mr. Bill Kempling (Burlington): Madam Speaker, the Minister's rationale does not stand up. In the United States where they have lower rates, and interest deductibility, there is no shortage of mortgage money.

In this mortgage monopoly game that is being played, the prize is \$3.5 billion to \$4 billion. The Minister should realize that, and make some calculations. Does the Government stand with a handful of trust companies or with the 750,000 people who are trapped in this mess?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I believe I have demonstrated to the Hon. Member that the Government stands quite clearly not only with the 750,000 people who have mortgages whom he is talking about but with the 24 million Canadians who will eventually have mortgages in many instances. We want to avoid taking any steps that would not be carefully planned and would cause more trouble and prejudice to those Canadian citizens than they may face at the present time in some instances resulting from their own decisions. This is something that must be looked at very carefully before steps are taken which would hurt Canadian consumers.

AMENDMENT OF INTEREST ACT

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is also directed to the Minister of Finance. The Minister of Consumer and Corporate Affairs is on record as saying that the federal Government is considering changes to the Canada Interest Act in order to allow all home owners who are caught in the trap of mortgage interest as high as 22 per cent, to renegotiate their mortgages. Is the Government in fact considering this legislation and, if so, when does the Minister intend to introduce it in the House?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member mentioned that the Minister of Consumer and Corporate Affairs was considering certain measures in connection with the Canada Interest Act. The Minister did not say what conclusion was reached. We are keeping our options open, while in addition to this approach we are also considering a number of other options. As I said before, as soon as the Government decides whether or not further action is necessary, the House will be informed accordingly. At the present time, we are reviewing the situation very carefully, since we particu-